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Ms. Noreta R. McGee

ATTORNEYS AT LAW

June 9, 1989

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June 9, 1989

RECORDATION NO. 8832-A FILED 1423

JUN 9 1989 -3 05 PM

INTERSTATE COMMERCE COMMISSION

DELIVERED BY HAND

Ms. Noreta R. McGee
Secretary
Interstate Commerce Commission
12th Street & Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Ms. McGee:

I have enclosed two originals of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the United States Code.

This document is a Discharge of Lien and Conditional Sales Agreement, a secondary document, dated June 7, 1989. The primary document to which this is connected is recorded under Recordation No. 8832.

The names and addresses of the parties to the document are as follows:

Vendor: Detroit Bank & Trust Company
211 West Fort Street
Detroit, Michigan 48226

Vendee: Detroit & Mackinac Railway Company
120 Oak Street
Tawas City, Michigan 48763

A description of the equipment covered by the document follows:

Handwritten notes:
Haver Jph
Quendrup

Ms. Noreta R. McGee

-3-

June 9, 1989

Fifty (50) 70-ton plate C 1975 Berwick built boxcars bearing the road numbers DM 2200-2249 (inclusive);

Twenty-three (23) 70-ton plate C 1975 Berwick built boxcars bearing the road numbers DM 2250-2272 (inclusive); and

Twenty-seven (27) 70-ton plate C 1975 Berwick built boxcars bearing the road numbers DM 2273-2299 (inclusive).

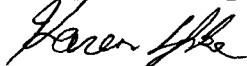
Twenty-five (25) 70-ton plate C 1977 Berwick built boxcars bearing the road numbers DM 2404, 2407, 2408, 2412, 2413, 2415, 2425, 2426, 2428, 2430, 2434, 2439, 2456, 2458, 2459, 2464, 2468, 2472, 2474, 2482, 2483, 2485, 2488, 2490 and 2498 (formerly known as DM 2300 series).

A check made payable to the Commission in the amount of \$13.00 is enclosed for the fee. Please return one original to: Karen Lykke, Weiner, McCaffrey, Brodsky & Kaplan, P.C., 1350 New York Avenue, N.W., Suite 800, Washington, D.C. 20005.

A short summary of the document to appear in the index follows:

Discharge of Lien and Conditional Sales Agreement, dated June 7, 1989, as it pertains to those one hundred (100) 70-ton plate C 1975 Berwick built boxcars bearing the road numbers DM 2200-2299 and twenty-five (25) 70-ton plate C 1977 Berwick built boxcars bearing the road numbers DM 2404, 2407, 2408, 2412, 2413, 2415, 2425, 2426, 2428, 2430, 2434, 2439, 2456, 2458, 2459, 2464, 2468, 2472, 2474, 2482, 2483, 2485, 2488, 2490 and 2498 (formerly known as DM 2300 series).

Respectfully submitted,



Karen Lykke
Legal Assistant

Enclosures

KL/wbe/7233P/8010-1

8832 A
 RECEIVED IN 7/23/1989

DISCHARGE OF LIEN AND
CONDITIONAL SALES AGREEMENT

JUN 19 1989 - 3 05 PM
 INTERSTATE COMMERCE COMMISSION

KNOW ALL MEN BY THESE PRESENTS, that any and all debt, liens, encumbrances or other security interests created by those certain Conditional Sales Agreements dated July 17, 1975, May 24, 1977 and June 21, 1982, by and between BAY DEVELOPMENT COMPANY, a Michigan corporation, DETROIT & MACKINAC RAILWAY COMPANY, (sometimes referred to as doing business as "D.M.L., Inc."), a Michigan corporation, and BAY AVIATION COMPANY, a Michigan corporation, (hereinafter collectively referred to as "Borrower") and COMERICA BANK - DETROIT, a Michigan banking corporation, formerly known as Detroit Bank & Trust Company (hereinafter referred to as "Lender") are released and discharged, and any lien or other encumbrance against the property described as follows:

Property Owned by Bay Development Company - 70-ton plate C 1975 Pullman built (DM2200 Series) boxcars, covered by the Conditional Sales Agreement dated July 17, 1975:

2273	2281	2289	2297
2274	2282	2290	2298
2275	2283	2291	2299
2276	2284	2292	
2277	2285	2293	
2278	2286	2294	
2279	2287	2295	
2280	2288	2296	

Property Owned by Detroit & Mackinac Railway Company - 70-ton plate C 1975 Pullman built (DM2200 Series) boxcars, covered by the Conditional Sales Agreement dated July 17, 1975, and the Conditional Sales Agreement dated June 21, 1982:

2200	2210	2220	2230	2240
2201	2211	2221	2231	2241
2202	2212	2222	2232	2242
2203	2213	2223	2233	2243
2204	2214	2224	2234	2244
2205	2215	2225	2235	2245
2206	2216	2226	2236	2246

2207	2217	2227	2237	2247
2208	2218	2228	2238	2248
2209	2219	2229	2239	2249

Property Owned by Detroit & Mackinac Railway Company -
 (formerly held by Bay Aviation Company) 70- ton plate C
 1975 Pullman built (DM2200 Series) boxcars, covered by
 the Conditional Sales Agreement dated July 17, 1975:

2250	2260	2270
2251	2261	2271
2252	2262	2272
2253	2263	
2254	2264	
2255	2265	
2256	2266	
2257	2267	
2258	2268	
2259	2269	

Property Owned by Detroit & Mackinac Railway Company -
 70-ton plate 1977 Berwick built (DM2400 Series) boxcars,
 covered by the Conditional Sales Agreement dated May 24,
 1977 and the Conditional Sales Agreement dated June 21,
 1982:

2404	2434	2483
2407	2439	2485
2408	2456	2488
2412	2458	2490
2413	2459	2498
2415	2464	
2425	2468	
2426	2472	
2428	2474	
2430	2482	

(formerly known as DM2300 Series)

are fully satisfied and discharged, and the associated debt is
 fully satisfied.

By this Discharge, COMERICA BANK - DETROIT does hereby
 cancel, terminate and otherwise void any and all lease or other use
 agreement between COMERICA BANK - DETROIT, BAY DEVELOPMENT COMPANY
 and BAY AVIATION COMPANY dated on even date with the above-referred

to Conditional Sales Agreement.

This Discharge of Lien does not release either of the parties hereto from any liability to the other party to any lease existing as of this termination date.

Dated this 7th day of June, 1989.

WITNESS:

COMERICA BANK - DETROIT

W. J. Bl

By:

Its:

[Signature]
Vice President

STATE OF MICHIGAN)
) SS.
COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me this 7th day of June, 1989, by ROBERT C. ROBINSON, who is Vice President of Comerica Bank - Detroit, on behalf of said bank.

Lynette J. Batcheler
Lynette J. Batcheler, Notary Public
Oakland County, Michigan
My commission expires: 9/04/89

